

COMMUNITY HOUSING RESOURCES

SPECIAL BOARD OF DIRECTORS MEETING **NOTICE AND AGENDA**

June 23, 2021

A SPECIAL MEETING OF THE COMMUNITY HOUSING RESOURCES (CHR) BOARD OF DIRECTORS WILL BE HELD IMMEDIATELY FOLLOWING ADJOURNMENT OF THE MPHA BOARD OF COMMISSIONERS SPECIAL MEETING VIA TELECONFERENCE. PLEASE DIAL-IN:

Toll: 1 (435) 777-2200
Conference ID: 496-8315

Directors:	Sharmarke Issa	Chair
	Abdi Warsame	Director and President
	Mikkel Beckmen	Director
	Andrea Brennan	Director
	Abdullahi Isse	Director
	Cara Letofsky	Director
	Tamir Mohamud	Director
	Hon. James Rosenbaum	Director
	Tessa Wetjen	Director
	Faith Xiong	Director

GENERAL:

Roll Call
Approval of Agenda
Minutes of Special Meeting of May 26, 2021

DISCUSSION:

1. General Contractor/Consultant (GC/C) Services for Scattered Sites Rehab (Laura Dykema, Director of Planning & Development)

RECEIVE & FILE:

- None

Next Meeting:

Wednesday, July 28, 2021
1001 Washington Avenue North
Minneapolis, MN 55401

Notice: *A portion of this meeting may be closed to the public pursuant to Minnesota Statute Section 13.D.03 or 13D.05.*

COMMUNITY HOUSING RESOURCES

MINUTES OF A SPECIAL MEETING OF THE Community Housing Resources

May 26, 2021

The Board of Directors of the Community Housing Resources met in a special meeting at 2:00 p.m. on May 26, 2021 via teleconference in Minneapolis, Minnesota, the time, date, and place duly noticed for the holding of such meeting.

The Chair called the meeting to order, the following members of the board being present:

Sharmarke Issa	Chair
Abdi Warsame	Director and President
Andrea Brennan	Director
Mikkel Beckmen	Director
Abdullahi Isse	Director
Cara Letofsky	Director
Tamir Mohamud	Director
Hon. James Rosenbaum	Director
Tessa Wetjen	Director
Faith Xiong	Director

The following members of the Board were absent:

The Chair declared the presence of a quorum.

Approval of Agenda:

Director Wetjen moved approval of the proposed agenda. The motion was seconded by Director Letofsky. Upon a roll call vote 10 Directors voted “aye” (Directors Beckmen, Brennan Isse, Letofsky, Mohamud, Rosensbaum, Warsame, Wetjen, Xiong and Chair Issa) and no Director voted “nay”. The Chair declared the motion carried.

Approval of Minutes:

The minutes of a Special Meeting of September 23, 2020 were presented for approval. Director Isse moved the minutes be accepted as presented. The motion was seconded by Director Warsame. Upon a roll call vote 10 Directors voted “aye” (Directors Beckmen, Brennan Isse,

Letofsky, Mohamud, Rosensbaum, Warsame, Wetjen, Xiong and Chair Issa) and no Director voted “nay”. The Chair declared the motion carried.

Item One: Annual/Regular Meeting scheduled for Community Housing Resources (CHR) Board of Directors for 2021-2022

After a brief presentation by staff and discussion, Directors Brennan moved approval of the recommendation set forth in the Report. Directors Mohamud seconded the motion. Upon a roll call vote 10 Directors voted “aye” (Directors Beckmen, Brennan Isse, Letofsky, Mohamud, Rosensbaum, Warsame, Wetjen, Xiong and Chair Issa) and no Director voted “nay”. The Chair declared the motion carried.

[See Document No. 2021-01]

Item Two: Architect and General Contractor Team for Scattered Site New Construction

After a presentation by staff and discussion, Director Isse moved approval of the recommendation set forth in the Report. Director Letofsky seconded the motion. Upon a roll call vote 10 Directors voted “aye” (Directors Beckmen, Brennan Isse, Letofsky, Mohamud, Rosensbaum, Warsame, Wetjen, Xiong and Chair Issa) and no Director voted “nay”. The Chair declared the motion carried. [See Document No. 2021-02].

Receive and File Item:

After a brief presentation by staff and discussion. Commissioner Warsame moved approval of the receive and file item. Commissioner Xiong seconded the motion. Upon a roll call vote 10 Directors voted “aye” (Directors Beckmen, Brennan Isse, Letofsky, Mohamud, Rosensbaum, Warsame, Wetjen, Xiong and Chair Issa) and no Director voted “nay”. The Chair declared the motion carried. [See Document No. 2021-03]

The following item was received and filed by the Board:

- IRS Annual Information Filing for 2020

There being no further business to come before the Board, Director Warsame moved to adjourn the meeting. The motion was seconded by Director Brennan. Upon a roll call vote 10 Directors voted “aye” (Directors Beckmen, Brennan Isse, Letofsky, Mohamud, Rosensbaum, Warsame, Wetjen, Xiong and Chair Issa) and no Director voted “nay”. The Chair declared the motion carried. The meeting was adjourned at 2:41 p.m.

Secretary of the Board of Directors

Date These Minutes Approved

COMMUNITY HOUSING RESOURCES, INC

June 23, 2021

Agenda item 1

REPORT TO THE COMMISSIONERS

FROM: Abdi Warsame, President

SUBJECT: General Contractor/Consultant (GC/C) Services for Scattered Sites Rehab

Previous Directives: On May 23, 2018, the MPHA Board of Commissioners approved the MPHA Strategic Vision & Capital Plan that made a commitment to rehabilitate scattered sites. On September 23, 2020, the MPHA Board approved the 2021 Moving To Work Annual Plan which outlines MPHA's plan to begin a multi-year process to make major repairs to preserve our scattered sites portfolio.

Resident Council Review/Recommendation: This Report will be discussed with MPHA's Resident Advisory Board (RAB) immediately prior to the Board's June 23, 2021 meeting.

Budget Impact: Fees incurred during the pre-construction phase will be charged to the Capital Fund Program and/or CHR's operating budget. MPHA plans to utilize debt for this project and anticipates closing in early 2022. Once debt terms are refined, MPHA will present this to the Board of Commissioners for approval.

Affirmative Action Compliance: As part of the RFP, MPHA defined clear participation goals of 7% for women-owned businesses, 20% for minority-owned businesses and 10% for Section 3 businesses. The contractor is currently seeking a partnership with an MBE contractor to manage the large-scale nature of the project. Additionally, the contractor has proposed a subcontracting strategy that will encourage more targeted businesses to participate and allow the project to meet contracting goals more easily.

Procurement Review: This Report has been reviewed and approved by the Agency's Contracting Officer.

RECOMMENDATION: It is recommended that the Board of Commissioners authorize the President or his designee to execute a contract and all related documents with Frerichs Construction for the rehabilitation of scattered sites.

Project Overview

CHR's portfolio of scattered sites consists of 717 existing units within Minneapolis that are of varying ages, designs, conditions, and sizes. MPHA is targeting a small percentage of these sites for redevelopment but intends to raise debt to significantly rehab the vast majority (682) of these

homes. While MPHA has maintained and made systemic improvements to the properties over the years, many capital needs remain and need to be addressed to make these homes viable for the families we serve now and in the future.

While the scope of improvements will vary from home to home based on their needs and condition, MPHA intends to complete kitchen and bathroom rehab in many of the properties. In addition to interior rehab, exterior improvements including siding, roof, and window replacement will be completed at select homes across the portfolio, as well as site work such as parking, paving, grading, and garage improvements. Systems (plumbing, electrical, and heating/ventilation) will also be addressed as needed. We anticipate hard construction costs may amount to as much as \$25-30 million and plan to start construction shortly after financial closing which we are targeting for Q1 of 2022.

Minimal or no tenant relocation is anticipated to complete the project. For homes that are slated for kitchen and bath rehab, MPHA will work with residents to identify short-term arrangements for being away from their unit while we complete the renovations, which we anticipate will take approximately five working days. MPHA staff are already having discussions with tenants to identify options needed to accommodate this so we can have the necessary resources in place once construction begins.

Scope of Services

The project will consist of four phases including construction planning/scope refinement, sub-contract bidding, construction, and final documentation/closeout.

Construction Planning & Scope Refinement

- The GC/C and MPHA's development team will collaborate to refine the planned scope of improvements and collect the data necessary to assemble bid documents, hone the overall approach to construction implementation to ensure it is feasible, efficient and cost-effective, and develop a detailed construction schedule for the improvements.
- The GC/C will provide budget estimates and, if necessary, engage in the value engineering process to meet the project goals while maximizing budget, schedule, and phasing.
- Bid documents will be finalized and the GC/C will prepare a subcontracting plan that includes how it will encourage WMBE and Section 3 participation.

Subcontract Bidding Phase

- The project will be bid in accordance with MPHA's/CHR's Procurement Policy and debt provider requirements.
- The construction schedule will be finalized.
- A final Maximum Allowable Construction Cost (MACC) will be negotiated with the General Contractor.

Construction Phase

- The General Contractor will manage and support construction activities including onsite coordination, inspections, safety, and supervision.
- The General Contractor will be obligated to deliver the project on time and within the agreed upon MACC agreement.

Final Documentation Phase

- Upon completion of the project, the General Contractor will complete processing and transmittal of all final project and accounting documentation or provide other closeout documents as required by MPHA and its lender.
- The General Contractor will provide MPHA with operating manuals, spare parts, and any other associated necessary supplemental material.

Procurement

On May 5, 2021, MPHA issued a Request for Proposals (RFP) for a General Contractor/Consultant for scattered sites rehab. MPHA received proposals from the following firms:

- Frerichs Construction
- Watson-Forsberg

MPHA formed an evaluation committee to evaluate and rank proposals based on the greatest value to MPHA. Evaluation criteria included proposed project team; qualifications and capacity; experience with projects of similar size and scope particularly occupied residential rehab; the firm's approach to project implementation including past performance in meeting or exceeding affirmative action goals, meeting budget and time constraints, etc.; the firm's approach to refining the scope of improvements; and proposed fees.

Frerichs Construction was the highest-ranked firm based on the committee's evaluation of the proposals submitted and information collected during best and final offers. Although both firms have the necessary qualifications and experience to perform the scope of services, Frerichs' staffing model was much more in line with the expectations of the evaluators. Additionally, Frerichs provided a compelling subcontracting strategy that may allow for cost savings as well as a bidding approach that will reduce barrier of entry for smaller firms, allowing the project to meet W/MBE and Section 3 participation goals more easily. Lastly, Frerichs' proposed fees were substantially less and more closely aligned with staff expectations which is in large part due to the firm's proposed staffing plan.

This Report was prepared by Laura Dykema, Director of Planning & Development. For further information, please contact Ms. Dykema at (612) 342-1428 or ldykema@mplspha.org.